



OpportunityNewark:

Jobs and Community Development for the 21st Century

Executive Summary



OPPORTUNITY  NEWARK

Jobs and community development for the 21st century

ICIC Initiative for a Competitive Inner City

NA Newark Alliance

Acknowledgements

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Below is a list of the Executive Committee and Strategy Board members. We would also like to thank all of the individuals who participated in the Cluster Action Teams. A full list of all team participants is included as an attachment.

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Executive Summary

Newark is an important economic center for the state of New Jersey. It is home to Port Newark, which, combined with the Elizabeth Marine Terminal, is the largest port on the East Coast and 3rd largest port in the country; has the largest education center in the state with over 50,000 students and faculty at its five colleges and universities; houses the premiere arts and cultural center in the state, the New Jersey Performing Arts Center; and has flourishing cultural hubs and neighborhoods, such as the Ironbound District. For more than ten years, Newark has been building upon its competitive assets leading to its current revitalization.

Years of planning and investments have led to an unprecedented influx of development efforts, market-rate housing, infrastructure projects and private investments. Major redevelopment projects such as the new Newark Arena and associated hotel and retail initiatives, the Joseph G. Minish Passaic River Waterfront Park redevelopment, the minor league baseball stadium, the new Newark Light Rail Link and over 10,000 units of planned downtown housing are tangible signs of Newark's renewal. To some, Newark is a best-kept secret. In 2000, the *Washington Post* called it "an unexpectedly rich day trip from...Manhattan" and said "Newark is making a slow, steady comeback." Newark's growing popularity coupled with the dedicated leadership of the Newark Community make now an ideal time to leverage the current momentum to enhance Newark's burgeoning economy, and to increase the quality of life for all of Newark's residents.

What is OpportunityNewark?

OpportunityNewark is an ambitious economic development initiative designed to advance Newark's progress. It is a market-driven economic model for creating jobs and wealth for Newark's residents by leveraging its competitive advantages to retain, attract and grow businesses. OpportunityNewark is not just about job creation, but preparing and connecting Newark residents to jobs that already exist and jobs expected in the future. What makes the initiative different from past efforts is its fact-based and inclusive approach to economic development where all aspects of the community participate in the strategy development process.

Development Projects

Entertainment, Arts & Leisure

- Newark Arena
- Newark Arena Hotel
- Sports/Entertainment Themed Retail
- Smithsonian Sponsored Museum of African/American Music
- Ice Skating Facility & Sports Fitness Center
- Community Theater

Residential Housing

- University Residences
- Mulberry Commons
- Trophy Building
- 1180 Raymond Boulevard
- Hahnes/Griffith
- Westinghouse
- Branford Lofts
- 786 Broad Street
- NJPAC Residences
- Waterfront/Matrix

Office Development

- Matrix — McCarter & English, 400K SF
- 1 Washington Square — 400K SF, Currently Undergoing Redesign
- 570 Broad Street — 200K SF, Completely Retrofitted
- ReMarketing of Gateway One — 140K SF, Replacement for FBI

Infrastructure Improvements

- Light Rail
- McCarter Highway Widening
- Penn Station Connection
- Broad Street/Downtown Streetscape
- City Hall Restoration
- Urban Park Restoration/New Park Plans
 - Military Park
 - Penn Plaza/Arena Park
 - Minish Park
 - Edison Plaza

Over 400 stakeholders, including Fortune 500 corporations, small businesses, minority-owned companies, city and state government, community groups, churches, and industry associations have contributed their best counsel to OpportunityNewark.

OpportunityNewark is not event-driven. Rather, it is designed to transform the basic infrastructure so that Newark competes in a structured and organized way that reduces, if not eliminates, fragmented efforts.

OpportunityNewark aims to connect local residents to the over 6,000 jobs that are expected annually over the next six years in the target industry clusters. The Newark Community must link the opportunities generated from its economy to local residents in order to fulfill OpportunityNewark's vision:

Within the next decade, Newark will be a city defined by its diverse neighborhoods, attractive jobs and thriving downtown, creating opportunities for success for all residents.

The Process

In October 2004, the Newark Alliance sponsored and convened private, public and civic leaders to engage the Initiative for a Competitive Inner City (ICIC) to conduct a competitive assessment and strategy for Newark. ICIC is a national nonprofit organization whose mission is to promote economic prosperity in America's inner cities through private sector engagement that leads to jobs, income and wealth creation for local residents. ICIC was founded in 1994 by Harvard Business School professor Dr. Michael Porter, an international authority on strategy and competitiveness.

ICIC partnered with the community to develop a comprehensive market-based strategy to further Newark's revitalization, built around concrete opportunities. The methodology is grounded in a thorough analysis of the economy of the city and its relationship to the region including an assessment of current and historic economic development and research efforts. The analysis looks at the potential to enhance industry clusters that can generate both business and workforce development opportunities while enhancing the competitiveness of Newark as a business location.

OpportunityNewark's focus is on **industry clusters¹** and **competitive advantages** because sustained innovation and competitive success arise within dynamic clusters of businesses, not from individual organizations. The enduring competitive advantages of firms lie within clusters in their local business environments. For example, companies within the movie industry derive locational competitive advantages by being in Hollywood, California.

The project's approach is also focused upon the private sector because it is the primary source of job creation. The real opportunity to create change is to tap the resources of the private sector to generate workforce and business opportunities. These resources take the form of everyday company decisions with respect to where to locate, whom to hire, which markets to sell to, and where to purchase supplies. The public sector also plays a critical role by creating an enabling environment in the form of policies and processes that can accelerate business growth and influence market decisions.

OpportunityNewark participants were engaged in an 18-month strategic planning process where more than 100

"This is not a research project; it is a strategic process with action as the outcome."

—Arthur Ryan, Chairman & CEO
of Prudential Financial, Inc. and
Co-Chair of OpportunityNewark



¹ Clusters are concentrations of interconnected companies and institutions. Linked together through customer, supplier, or similar relationships in a particular industry. Examples of well-known clusters are high technology in Silicon Valley or film making in Hollywood.

"For too long, we have relied on government to provide all the solutions. We're pleased that the private sector – business owners and investors – are leading the OpportunityNewark effort and driving the economic development agenda for the city."

— City of Newark Mayor, Sharpe James

reports were reviewed, 400 stakeholders were interviewed and the city's six previous strategic plans were analyzed.

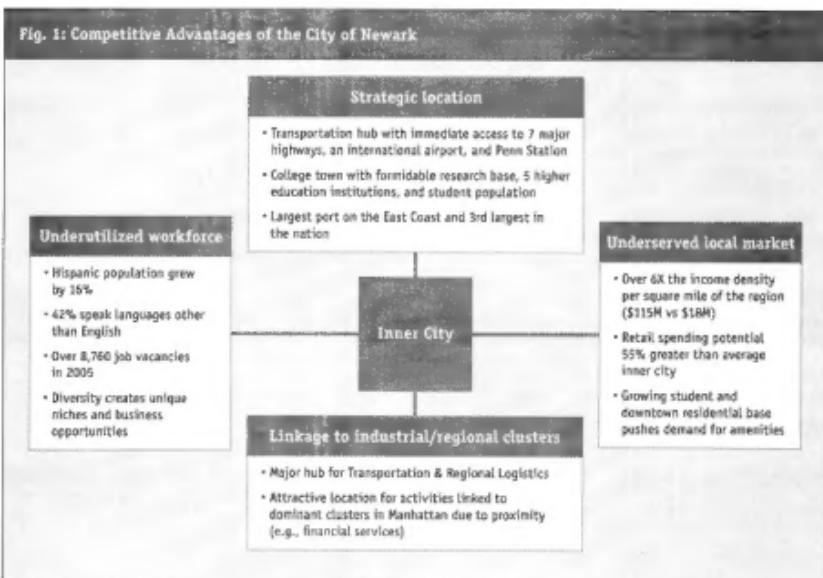
The following report outlines OpportunityNewark's analysis and recommended strategies. The recommendations are focused on addressing economic issues while complementing existing social and economic initiatives. The Newark Community recognizes that OpportunityNewark is not a panacea for all of its challenges. However, it will create a sustainable economic infrastructure to identify, develop and implement opportunities that lead to increased job opportunities for local residents, and a more competitive position for Newark in the region and the global marketplace.

The Facts

Competitive Advantages

Newark has many of the right ingredients for a continued economic transformation. Its strategic location offers unparalleled transportation links that give Newark busi-

Fig. 1: Competitive Advantages of the City of Newark



Sources: 2000 U.S. Census; 2002-2004 Bureau of Labor Statistics, ICIC-State of the Inner City Economies.

nesses access to more than 21 million regional customers and one-day access to more than 105 million consumers.² The city's close proximity to New York City's behemoth economy also offers economic opportunities.

In addition, despite a median household income that is less than half that of the region's (\$22,226 versus \$51,221), Newark has more than six times the income density per square mile than does the region (\$115 million vs. \$18 million), making it ripe for an influx of retail development.³ A further asset can be found in Newark's growing Latino population. This population provides Newark with a bilingual workforce – a key asset in a global economy and one which is generally underutilized.

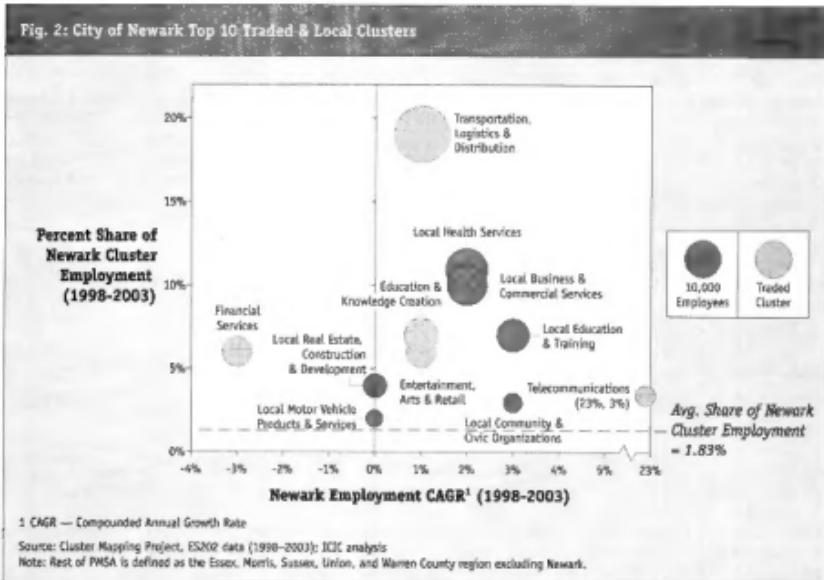
In addition to these core assets, Newark is fortunate to have a dedicated business community, strong collaborative associations (e.g., the Council of Higher Education in

Newark (CHEN) and the Newark Regional Business Partnership (RBPP)), supportive state entities, and an active city government. Together, these groups have been the backbone of Newark's transformation.

Economic Base

Newark's diverse business base is largely focused around the city's key competitive advantages, specifically Newark's strategic location and strong base of higher education institutions and hospitals. The Transportation, Logistics & Distribution Services (TLD) cluster – inclusive of businesses that utilize the port, airport, rail, highway and transit infrastructure – has the largest employment base of all of the clusters. Health Services, the second largest cluster in Newark by employment, and Education & Knowledge Creation (EKC), also a high-employing cluster in Newark, are built off of the city's strong universities and research base.

Fig. 2: City of Newark Top 10 Traded & Local Clusters



1 CAGR — Compounded Annual Growth Rate

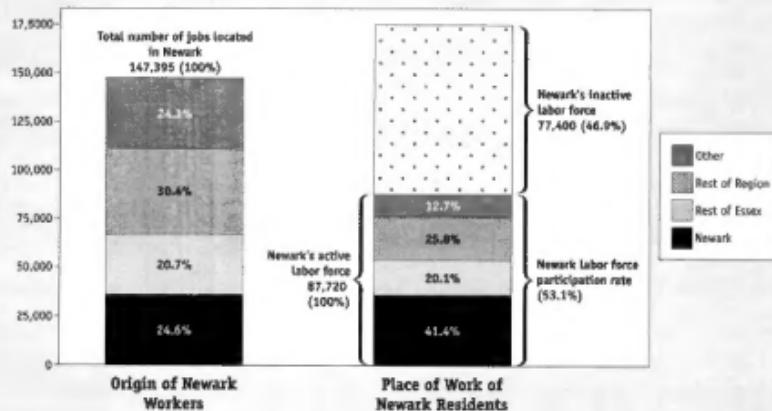
Source: Cluster Mapping Project, ES2002 data (1998-2003); ICIC analysis

Note: Rest of PMSA is defined as the Essex, Morris, Sussex, Union, and Warren County region excluding Newark.

2 Warehousing and Distribution Center Context: NJTPA Brownfield Economic Redevelopment Project, A. Strauss-Wieder, Inc., February 2001.

3 ICIC Research – State of the Inner City Economies (SICE). Note: "Region" is defined as the area of Essex, Morris, Sussex, Union and Warren Counties.

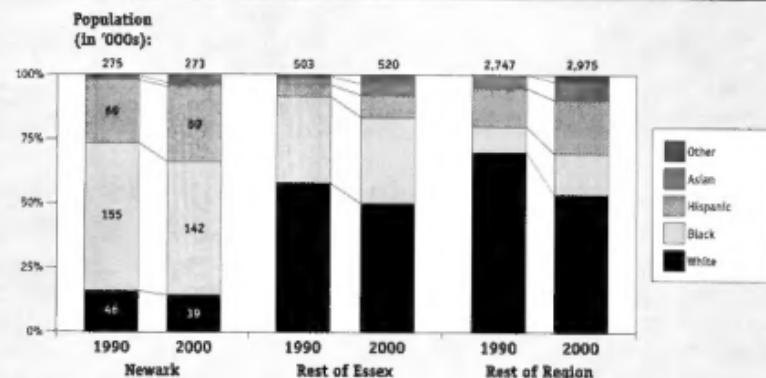
Fig. 3: Commuting Patterns of Newark Residents and Workers



Source: 2000 US Census

Note: Rest of Essex does not include Newark, and Rest of Region includes Bergen, Hudson, Morris, Passaic, and Union counties, but not Essex.

Fig. 4: Ethnic / Racial Mix of Population



Source: 1990 US Census, 2000 US Census

Note: Rest of Essex does not include Newark, and Rest of Region includes Bergen, Hudson, Morris, Passaic, and Union counties, but not Essex.

However, while Newark's strongest employment bases are built off of the city's key assets, data shows that there has been little employment growth in these clusters for the period from 1998 – 2003. TLD, for example, grew at a modest 1 percent compounded annual growth rate (CAGR) for the 1998 – 2003 period. Likewise, Health Services grew by only 2 percent over the same period. While Newark's 3,000-plus businesses collectively employ more than 95,000 people, additional resources and alignment of current development projects can help increase Newark's employment growth in these key areas.

Demographic Profile

Newark is home to an incredibly diverse population. Almost 90 percent of Newark's total population consists of minorities, compared to 35 percent in the region. Additionally, the increase in the Latino population is accountable for stabilizing Newark's decades of population decline. From 1990 to 2000, while the white and black populations in Newark fell 15 percent and 8 percent, respectively, the Hispanic population rose by 16 percent.⁴

Newark's population has also been increasing in educational attainment, yet there is still room for improvement. From 1990 to 2000, the number of Newark residents who had achieved some degree of college education increased by more than 25 percent in Newark, more than twice the gain shown in the remainder of Essex County.⁵ In the same timeframe, the number of Newark residents with less than a high school diploma declined by almost 13 percent.⁶ However, with 41 percent of Newark residents still lacking even a high school degree or equivalent, the city must continue to focus on helping its residents attain higher degrees of education.⁷

Within the labor force, there is a need to link Newark workers to Newark jobs. While 41 percent of Newark's active labor force works in Newark, Newark residents hold only 25 percent of local jobs. Clearly, there needs to be additional emphasis placed on ensuring Newark residents have the skills and access to obtain jobs within the city. Increasing the linkages between Newark workers and jobs is essential if the city is to combat rising poverty rates. Despite

the economic boom of the 1990s, Newark's poverty rate increased from 26 percent to 28 percent from 1990 to 2000.⁸ The city's poverty rate is the second highest in the state and three times the national average.

While Newark's diverse ethnic community is a potential resource in an increasingly global economy, the educational and workforce indicators raise a need for Newark's redevelopment efforts to be linked to the community to ensure that while the city flourishes, the residents share in the rewards.

The Need

Redevelopment efforts – such as the addition of new cultural centers; bright, safe, and inviting streetscapes; and improved infrastructure – are intended to improve a location's economy and the futures of the people who live there. It is even more important, however, for leaders to couple their redevelopment efforts with serious attention to the educational and employment needs of the community.

OpportunityNewark's goal is to ensure that this vital connection occurs in Newark. The demographic profile described above amplifies the urgency of addressing unemployment and underemployment in order to help Newark residents capitalize on the opportunities inherent in the city's revitalization. The project's objective is to help connect current redevelopment efforts so that local residents are ready and



4 1990 US Census, 2000 US Census.

5 Ibid.

6 Ibid.

7 Ibid.

8 Ibid.

able to access jobs and other economic opportunities (like entrepreneurship) that are generated as community leaders implement OpportunityNewark's cluster strategies.

The Target Clusters

OpportunityNewark's Executive Committee selected four industry clusters that collectively are the anchors to Newark's economy and provide attractive workforce and business development opportunities both now and in the future.⁹ By interviewing industry stakeholders and experts and reviewing numerous research reports, ICIC and the OpportunityNewark Executive Committee conducted a thorough analysis of Newark's cluster strengths, weaknesses, opportunities and threats. A set of clusters was then selected that would:

- Strengthen Newark's competitive positioning in the regional and global marketplace;
- Provide economic opportunities to both Newark residents and businesses; and
- Leverage existing initiatives, investments and leadership.

It is important to note that all clusters are important for economic performance and can be made more productive. The first four clusters collectively represent the best current opportunities to strengthen Newark's competitive position. The strategies that the Newark Community lays out for these four clusters are meant to be starting points of a continuous process.

Target Clusters:

- Transportation, Logistics & Distribution Services (TLD)
- Health Services
- Education & Knowledge Creation (EKC)
- Entertainment, Arts & Retail (EAR)

Cluster Action Plans

A growing economy relies on both established and emerging economic engines to sustain job growth. Strong economic engines have solid job demand such as Transportation, Logistics & Distribution Services (TLD) and Health Services. Therefore the focus of the TLD and Health Services action plans is linking residents to jobs that already exist.

Emerging economic engines create new opportunities from existing and latent assets as in the case of Education & Knowledge Creation (EKC) and Entertainment, Arts & Retail (EAR). Therefore the focus of the EKC and EAR action plans is on building the infrastructure to attract additional opportunities.

For each target cluster, a Cluster Action Team was formed. Each Cluster Action Team looked at the obstacles and opportunities for growth within each cluster in Newark in order to develop action-oriented strategies to increase employment opportunities for Newark residents and improve the competitiveness of the business environment to retain, grow and attract businesses.

"OpportunityNewark provides a venue for business, government and civic leaders to exchange ideas, debate issues and develop solutions while acknowledging shared accountabilities, which is the critical infrastructure needed to sustain positive change in Newark."

— Al Koeppel, President & CEO of Newark Alliance and Co-Chair of OpportunityNewark

⁹ OpportunityNewark's Executive Committee includes The Newark Alliance Board, CHEN, local community leaders, the mayor, members of the City Council, and representatives of the city's faith-based community.

The Cluster Action Teams provided a forum to brainstorm, plan and execute a strategic plan in a collaborative manner.

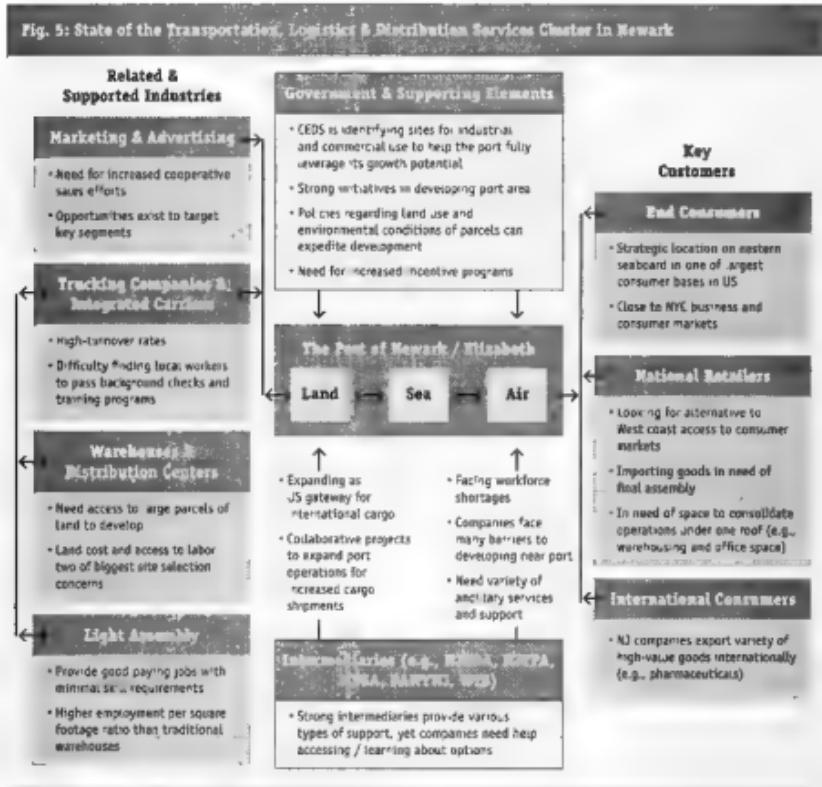
A Strategy Board consisting of approximately 50 well-connected business, government, academic and civic leaders met regularly to provide guidance to the action teams' work and ensure plans were linked to existing resources and initiatives.

Throughout the 18-months of strategic planning, OpportunityNewark participants reviewed a considerable amount of data to inform the recommendations described in the action plans found in the subsequent pages.

Transportation, Logistics & Distribution Services

Newark's port, as the largest on the East Coast and the 3rd largest in the country, is an important competitive advantage for the city. Foreign trade coming through the port is expected to double by 2020, creating many business and employment opportunities. To prepare for this growth, port leaders have planned more than \$1 billion in investments that will increase port capacity and accommodate large freighters. The Portfields and Portways initiatives are already rehabilitating lands in the port area in order to

Fig. 5: State of the Transportation, Logistics & Distribution Services Cluster in Newark



increase the number of port businesses and help facilitate efficient cargo transportation. Experts expect that these capacity increases will triple the number of containers that come and go from the port, moreover, the improvements will double the number of jobs available at the port.

The Newark Community expects that the port's growth will attract owners of a variety of businesses (including distribution, customization, assembly, and packaging) to relocate to Newark. The TLD cluster anticipates job growth of 1,025 jobs per year through 2012.¹⁰ Jobs in this cluster are important because they are not only accessible to low-skilled residents—75 percent of these jobs require minimal training—but they also provide good wages. Almost 60 percent of the jobs in this cluster pay at least \$25,000 annually, and 25 percent pay more than \$50,000.¹¹ Truck driving jobs currently face one of the biggest labor shortages in this sector with estimates ranging from 500 to 750 truck driver openings in the Newark area.

The TLD Cluster Action Team's recommendations focus on identifying and addressing workforce development and business issues and strategic infrastructure to help local residents gain access to jobs and to improve the competitiveness of the Port.

TLD Action Plan:

High Priority Areas

- To help solve the shortage of truck drivers and other port workers:*

1. Establish a port-based One-Stop screening and placement agency that will help fill trucking, rail, warehousing, light assembly, and airport jobs (underway). The One-Stop in partnership with the Waterfront Commission has streamlined the screening and certification process. Together, these efforts will better connect Newark residents with port employment opportunities and will provide port-area companies with easier access to city services. The Newark One-Stop is leading this effort and will be supported by the Newark Alliance.

2. Establish scholarships to help local residents attend private truck driver training programs and work with

insurance companies to address barrier to insuring drivers under 21 years of age and without two years of experience. These efforts will increase the number of Newark residents who are able to enter the truck driving profession. While the scholarship program will help Newark residents who previously were unable to afford the truck driving training necessary to obtain a commercial drivers license (CDL), addressing the larger insurance issues facing new drivers will help alleviate some of the restrictions companies face when hiring competent drivers with limited experience. The Newark Alliance is leading this effort, working with the Newark One-Stop, area trucking companies, insurance companies, and the New Jersey Department of Banking and Insurance.

3. Create an insurance pool to offset trucking companies' higher insurance costs for new drivers. As with the above scholarship and insurance recommendations, this effort will help increase the number of Newark residents who are eligible for truck driving opportunities by alleviating the insurance burden placed on trucking companies. The Newark Alliance is leading this effort, working with the Newark One-Stop, area trucking companies, insurance companies, and the New Jersey Department of Banking and Insurance.

- To facilitate further development of land in and around the port, which can be used to attract TLD-related companies:*

1. Implement the recently executed Memorandum of Understanding (MOU) between the New Jersey Economic Development Authority (NJEDA) and the New Jersey Department of Environmental Protection (NJDEP) designed to speed up the environmental permitting process for redevelopment of brownfields and other underutilized sites which can become locations for the construction of competitive warehouse, distribution and other facilities which support port, airport, rail and related commerce (underway). Several actions called for in the MOU will help advance NJDEP's project permitting process for brownfields redevelopment in and around the port. This will help developers seeking a faster and more efficient development approval process for their port commerce-related projects. The NJEDA is leading this initiative and working with the NJDEP on implementation of the MOU.

10. New Jersey Department of Labor and Workforce Development, Labor Market & Demographic Research, 8/20/04.

11. Bureau of Labor Statistics, Nov. 2003 Occupational Employment and Wage Estimates by NAICS Code.

12. High Priority Areas represent "quick-win" opportunities that will offer substantial job opportunities and/or significantly improve the business environment when implemented.

- *To significantly increase the awareness of the port's strategic importance outside of the region:*

1. Create a strategic marketing plan to publicize the Port's assets to key market segments (underway). A \$2 million marketing campaign is underway by the NJEDA to promote Portfields areas to developers and international companies that conduct port, airport, rail, and related commerce that requires warehousing and distribution facilities. The funding has been made available by the Port Authority of New York and New Jersey (PANYNJ) through the New Jersey Commerce, Economic Growth and Tourism Commission. Public Service Electric & Gas (PSEG) has also begun developing marketing materials to publicize key facts about developers, city resources and port resources. The marketing campaign is currently underway and is being done on a collaborative basis by the various public entities noted.

Other Action Areas

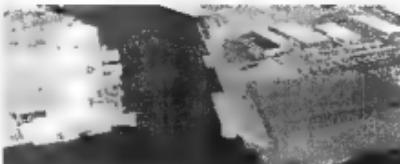
- *To improve coordination around economic development efforts involving the port and ensure that the land around the port is used for its highest and best use:*

1. Establish a special regional council to develop a shared vision for the Port's future related to economic development activities and strengthen the role of intermediaries in economic development. Sam Crane of Maher Terminals is leading this initiative and is working to establish a collaborative council of private industry representatives, intermediaries, and state and local government entities under the Liberty Corridor proposal.

2. Reinforce the importance of completing the new Master Plan for the City of Newark as this will help alleviate uncertainty over zoning (commercial vs. residential) for specific lands around the port. The City of Newark has been working on updating the city's Master Plan.

- *To strengthen the Port of Newark's competitive position:*

1. Improvements in the rail infrastructure will benefit Newark and the Port. The rail improvements provide an opportunity to increase the amount of freight that can travel on rail, and move the cargo more efficiently in, out and through the city and the region. It will allow Newark to remain competitive with other port cities that are investing heavily in rail infrastructure (i.e., Norfolk and Baltimore). A more comprehensive rail infrastructure will also help the region maximize the competitive



use of its various lands leading to increased job opportunities and economic development. There have been several efforts to evaluate and improve the region's rail infrastructure, and the infrastructure needs of the port to support the development of the port area for freight and goods movement purposes. The New Jersey Department of Transportation (NJDOT) is also working with the PANYNJ and private railroad companies to develop a capital investment plan to increase the available rail infrastructure.

2. Commission a study to demonstrate how employing advances in parking structures and vertical warehouses can free up valuable space at the port. Such structures would enable more efficient use of valuable lands close to the port, enabling the port to handle increased cargo volumes, leading to additional job opportunities. The NJEDA has agreed to take the lead in performing the cost benefit analysis associated with understanding the benefits of various parking structures and vertical warehouses as a part of their Portfields Initiative along with their Portfields partners, including the PANYNJ.

Health Services

Health Services is the 2nd largest cluster in Newark and the sector is growing nationally due to the aging of America, a surge in long-term health conditions such as diabetes, and continued biomedical and medical advances. As the demand for healthcare grows, so do the employment opportunities. The New Jersey Department of Labor and Workforce Development predict that the average number of job openings in the Health Services cluster will be 1,250 every year over the next six years for Essex County. However, the pace of employment growth is currently outstripping the supply of trained workers. For Newark, these current and future shortages represent a significant workforce development opportunity. With structured training, Newark residents can move from entry-level positions into solid, long-term healthcare careers that offer good pay and benefits. Presently, the average Newark-based health professional earns more than \$52,000, according to the U.S. Department of Labor's Quarterly Census of Employment and Wages.

Labor shortages in Health Services, coupled with the rising demand and cost for healthcare, make it difficult to operate a healthcare organization and to access high-quality care. Newark has numerous healthcare resources, but the delivery of quality healthcare is challenged by a variety of issues, such as the high cost of medical insurance, overburdened emergency care facilities, and the insufficient number of private practice physicians, which are affecting cities nationwide. Roughly 30 percent of Newark residents are uninsured and seek care in emergency rooms instead of primary-care facilities. Newark's hospitals are overwhelmed by the demand for their services and by the costs of providing them without adequate reimbursements. At the same time, the cost of medical malpractice, school loan payments, and office administrations make it challenging for physicians to operate private practices in Newark, while relying on government reimbursements as payment for their services.

The Health Services Cluster Action Team discussed these issues, leading to recommendations, which focus on workforce development and strategic infrastructure improvements.

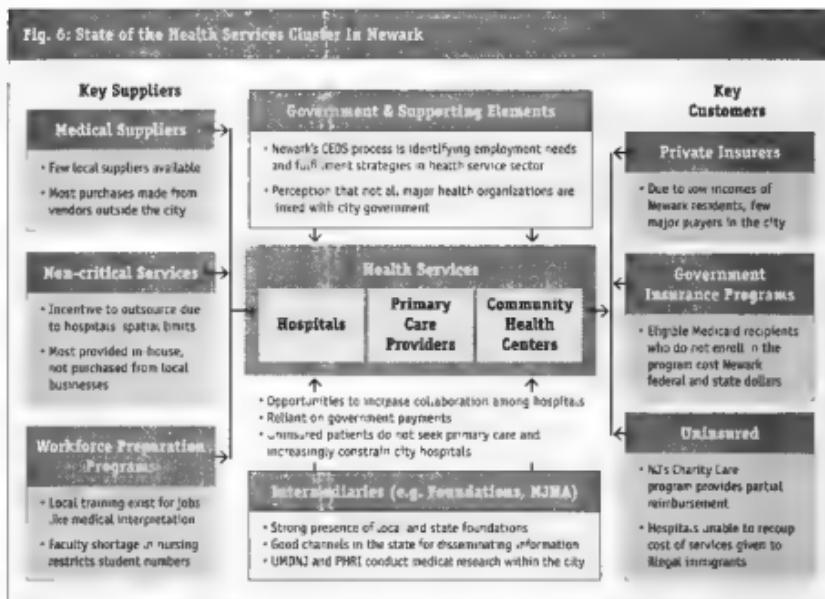
Health Services Action Plan:

High Priority Area

* To help solve the labor shortage in Health Services:

1. Form a Health Services career lattice that will involve the Newark Workforce Investment Board, the Newark One-Stop, the New Jersey Department of Labor, health-care providers and educational institutions to screen, hire and train incumbent workers to qualify for higher skilled positions. This is a collaborative approach to address workforce challenges using a competency based apprenticeship model. Participants will be able to "earn while they learn" with an increasing wage scale as they progress. The Health Services Collaborative Advisory Committee (HSCAC), composed of members of the Health Services and workforce development communities, will oversee the development and implementation of the career lattice, with assistance from the funding, screening and recruitment, career advancement, and training

Fig. 6: State of the Health Services Cluster in Newark



curriculum sub-committees. In addition, a Health Services career lattice coordinator will be engaged to provide day-to-day support for this initiative.

Other Action Areas

To improve access and delivery of healthcare:

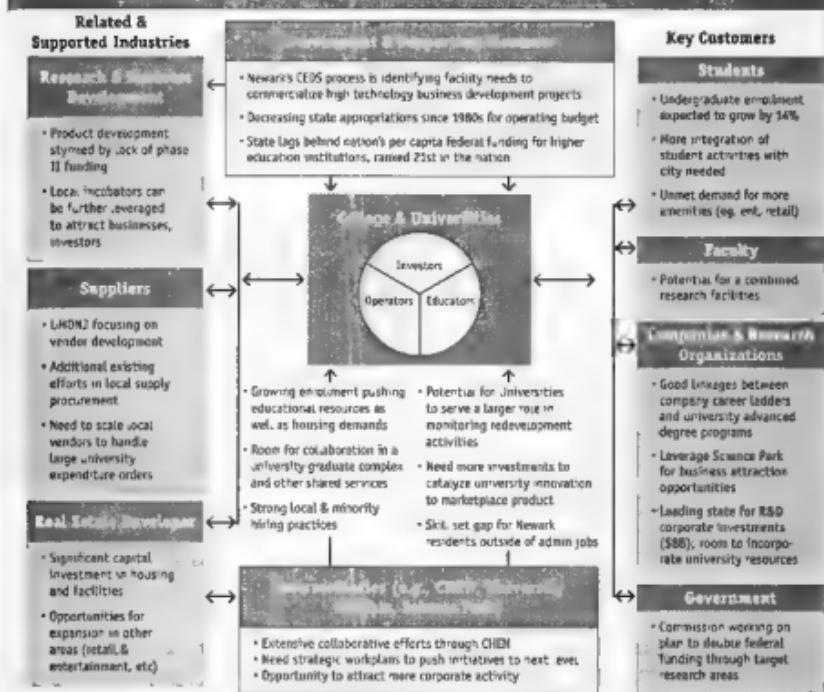
1. Develop a comprehensive strategic plan for Newark's healthcare system led by the City of Newark in coordination with the Newark Health Services Community, the State of New Jersey, and the federal government to ensure that Newark can efficiently meet the healthcare needs of its residents. The plan should address the number of private physician offices, the number of insured

residents, hospital closings, and malpractice insurance, among other issues.

Education & Knowledge Creation

Newark is the largest higher education center in New Jersey. It is home to five leading universities and colleges (Essex County College, New Jersey Institute of Technology (NJIT), Rutgers University, Seton Hall Law School, and the University of Medicine and Dentistry of New Jersey (UMDNJ)). It also has a wealth of newly developed interdisciplinary resources that bring together leaders, students, entrepreneurs, corporate executives, and investors—in education, research, and entrepreneurship. These resources

Fig. 7: State of the Education & Knowledge Creation Cluster in Newark



— premiere among them University Heights Science Park (UHSP), a \$350 million science and technology park adjacent to universities in the central ward — provide Newark with significant competitive advantages when it comes to building new businesses, recruiting companies to move to Newark, stimulating research into new and promising science, medical and technological arenas, and encouraging Newark's young people to prepare themselves for future careers in science and technology.

According to the New Jersey Department of Labor and Workforce Development, annual job growth through 2012 is projected to average 1,695 positions within the EKC cluster. To capitalize on these trends, the EKC Cluster Action Team developed strategies to position Newark to become more competitive in building, recruiting, retaining and starting businesses using and/or creating advanced technology. Similarly, the EKC Cluster Action Team focused on recommending strategies that will make Newark residents more job ready by increasing their technology skills. Consequently, the EKC cluster recommendations are focused on two targets: Technology Business Development and closing the "Digital Divide."

EKC Action Plan:

- To strengthen and increase the number of technology-based businesses in Newark:*

1 A Newark Innovation Zone Board has recently been established by the NJEDA consisting of high-powered stakeholders to oversee the current technology initiatives and develop new programs. The Newark Innovation Zone Board will also encourage collaboration among universities and industry and ensure the successful implementation of NJEDA's investments in UHSP, including recruiting recognized anchor tenants to UHSP. The Chief Executive Officer of the Newark Alliance is also the Chairman of the Innovation Zone Board.



2 **Create a commercialization engine, or "Innovation/Business Accelerator."** This collaborative effort among Newark's research universities will strengthen the universities' technology transfer offices and provide world-class guidance, business support, proof-of-concept reviews, mentors, pre-seed funds, and access to emerging companies, scientists and entrepreneurs. It will increase the number of start-ups, spin-outs and spin-ins; enhance UHSP's reputation, and increase federal and private-sector research and development (R&D) investments in Newark. The "Innovation/Business Accelerator" will be part of the Innovation Zone effort and structure, with the same individuals leading the initiative.

3. **Build the advanced technology resources and skills of the Greater Newark Business Development Consortium (GNBDC) so that it can manage its own complex business more effectively and so that it is able to provide higher levels of technology support to its clients.** To accomplish this, the GNBDC will be assisted by with help from major technology vendors and BCT Partners in Newark

- To close the digital divide:*

1. **Rapidly implement wireless hotspots initially in Newark's key business centers, such as Downtown and UHSP, then throughout all Newark neighborhoods.** Communities around the country are deploying wireless networking strategies to attract businesses and to position themselves as hi-tech centers. A wireless strategy would strengthen Newark's competitiveness relative to other cities and provide greater Internet access to Newark's residents, which is key to closing the digital divide. The Newark Alliance will take the lead in forming an advisory board to assess the various models, implementation options, costs and sponsors.

2. **Establish a major Community Technology Center to provide opportunities for Newark young people and residents to become proficient in using technology and the Internet.** Seton Hall University and New Communities Corporation are leading this effort.

3. **Develop a three-year Science, Technology, Engineering and Mathematics (STEM) communications campaign to raise awareness of the critical importance of science, math and technology to residents' future economic success.** The Newark Alliance will take the lead role in implementing this effort.

• To prepare residents for technology jobs:

1. Develop a comprehensive, industry-led technology training consortium patterned after the Health Services Career Lattice and Biotech Workforce Development model to prepare Newark residents for jobs as technicians in the biotechnology, electronics, computer, semiconductor and telecommunications industries. The Newark Alliance, partnering with the Newark One-Stop, will take the lead role in implementing this effort.

• To improve Newark universities' capacity to educate future entrepreneurs:

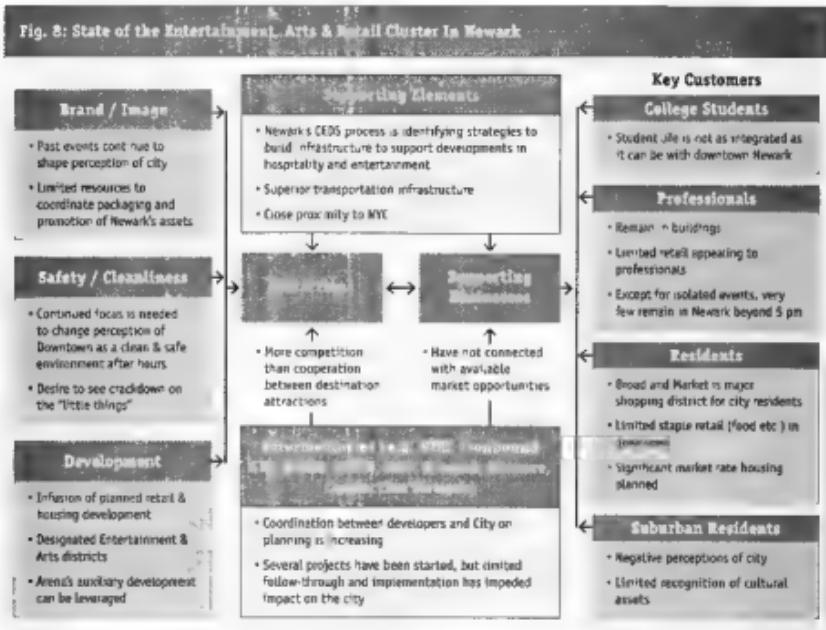
1. Apply for a \$5 million Kauffman Foundation Campus Initiative Grant to dramatically increase the entrepreneurial curricula and enhance the entrepreneurial culture at Newark's universities and colleges. One of the central features of universities positioning themselves as leading technology and innovation centers is

the existence of strong entrepreneurship programs. The Kauffman grant would complement existing efforts to strengthen Newark's position as a global innovation center. NJIT is coordinating the application for this grant.

Entertainment, Arts & Retail

Newark is home to some of the most unheralded beautiful places in the nation, including the cherry blossom laden Branch Brook Park, designed by Frederick Law Olmsted, the Newark Museum, and the Newark Public Library, which are celebrated for their Beaux-Arts and Art Deco architecture. More than \$1.4 billion will be invested in cultural and entertainment projects, including expansion of the New Jersey Performing Arts Center, the Newark Arena, the Passaic Riverfront Center, the Mulberry Street Promenade, the Smithsonian-sponsored Museum of African/American Music, more than 10,000 new residential units with ground-floor retail shops, and a subway extension opening

Fig. 8: State of the Entertainment, Arts & Retail Cluster In Newark



this summer that will connect five downtown destinations. Artists are moving into Newark and opening galleries and holding open studios. The Ironbound neighborhood – the largest Portuguese community in the country – has solidified its reputation as the capita, of Portuguese dining as well as a culinary destination for a range of Latin fare. Together, these developments, which create a vibrant downtown, will position Newark as a 24/7 destination and an attractive location for businesses, residents, students and tourists. A thriving downtown is paramount to changing perceptions about Newark and can be a key catalyst for Newark's continued transformation, not only within the downtown area, but within the neighborhoods as well.

As this cluster grows, so will its workforce. The hospitality industry is the second fastest growing sector in the nation, and the need for qualified labor is increasing rapidly. The job opportunities in this cluster match the needs and skills of many of Newark's residents. The average annual job openings in the EAR cluster for Essex County are 2,250 jobs through 2012, according to the New Jersey Department of Labor and Workforce Development. OpportunityNewark is partnering with existing initiatives to ensure that Newark residents have greater access to these job opportunities.

Given the pace of development in Newark and the need to promote Newark's transformation to the world, the EAR work focused on two areas: Economic Development Infrastructure and City Perception. Given the significance of both these issues, they are classified as cross-cutting issues (i.e., issues that are not unique to the EAR cluster, but impact every cluster), and two separate business environment action teams were formed to address these matters. Therefore, the EAR action plan is solely focused on workforce development.

EAR Action Plan:

- *To improve Newark residents access to hospitality-related jobs:*

1. **Create the Newark Hospitality & Culinary Institute to train Newark residents to access career opportunities in this field.** Training will involve a broad curriculum including specialty areas such as training to be a chef, restaurant manager, hotel manager and soft skills training. Danny Gao is currently leading this effort in conjunction with the Newark Public School's "School to Career" program, the Newark Workforce Investment Board, the New Jersey Department of Labor, and Johnson & Wales University. Securing of seed funding is

underway and being led by Newark Hospitality and Culinary Institute.

Business Environment Action Plans

In addition to Cluster Action Teams, Business Environment Teams were formed to identify issues that could improve the overall business environment and further accelerate Newark's growth. Business environment issues are cross-cutting issues that impact all clusters and the overall economy. The four business environment issues that emerged from the cluster work are:

- Economic Development Infrastructure
- City Perception: Image and Identity
- Urban Business Investment
- Workforce Development Infrastructure

Economic Development Infrastructure

With over \$4 billion of development that is ongoing and in the pipeline, Newark's explosive economic growth is evidence of a renewal in action. Newark has all the right ingredients



for an economic transformation – strategic location, international business base, engaged private sector, pioneering development projects, and dedicated city and state partners. Developers have embraced Newark and the city has approved several major development projects that will lead to thousands of new office workers, residents, and students, living, shopping and spending their leisure time in Newark.

As a commerce and transportation hub, Newark is a strategic point-of-entry for goods, services and people. The opportunity to sustain Newark's economic growth in key high priority catalytic areas, such as the port, waterfront, downtown and Science Park, and in the neighborhoods, rests on building the right economic development infrastructure to support the current pace of development and encourage more private sector investment.

Economic Development Infrastructure Action Plan:

- * To address the city's economic development capacity:**

1. Increase economic development resources to complement existing city resources. Additional capacity will enhance planning efforts, expedite development on planned projects and expand business attraction and retention activities. The City of Newark, with support from the Newark Alliance, the Newark Redevelopment Trust Fund, and the NJEDA will lead this effort.

2. Launch a Newark Community Foundation to build a permanent endowment for the City of Newark. The initial focus of the foundation will be to support key catalytic economic development and job creation projects. The Newark Community Foundation is considering leveraging the infrastructure of the New Jersey Community Foundation. This effort will be led by the Newark Alliance.

3. Pursue feasibility of implementing the 3D virtual urban planning tool. This tool utilizes the latest GPS technology to develop virtual reality models that provide state-of-the-art technology for urban planning. New Jersey Institute of Technology can develop the tool for the City of Newark to assist with master planning efforts. The City of Newark, partnering with NJIT and with support from the Newark Alliance, is leading this effort.

4. Identify the interrelationships between Newark's economic development plan and the Governor's Economic Growth Plan to ensure proper alignment of city and state resources. The Newark Alliance, working with

the City of Newark, the Newark Redevelopment Trust Fund and the NJEDA, will define the linkages.

City Perception: Image and Identity

Perception of the City of Newark has shown positive improvement, from Harper's worst city in America (1970's) to Business Week's best city for entrepreneurs (2005). However, more can be done to more aggressively promote Newark's progress and reinforce Newark's changing positive image.

Image and perception impact all aspects of economic development. They are key economic drivers that if appropriately addressed can accelerate Newark's revitalization efforts, help realize the 24/7 downtown, improve neighborhoods, and create hundreds of jobs within the E&R cluster. Promoting a unified vision and image of Newark's "renaissance" activities is key to positioning the city as a destination for businesses, residents, workers, students and visitors. Increasingly, cities are aggressively investing resources to market and brand their assets as a key economic development tool. Newark is uniquely positioned to capitalize on the resurgence of private investment in the city by enhancing its image and identity through strategic and collaborative marketing efforts. The City Perception action team identified strategies to strengthen existing marketing and promotion efforts by building on the positive momentum already underway.

City Perception Action Plan:

High Priority Areas

- * To promote Newark's assets:**

- 1. Execute a collaborative marketing function**

A collaborative marketing function will be executed to leverage Newark's assets by aggregating capacity and activities into marketable packages to attract events to the city. This function, which will be coordinated by the Newark Office of the Urban Enterprise Zone (NOUEZ) with assistance from various partners, has three components: reestablishing the Collaborative Marketing Association; packaging of assets; and, identifying and implementing common/shared communication and marketing tools.

- * Reestablish the Collaborative Marketing Association**

The Collaborative Marketing Association (the Association), which was operational in 2003, will be

reestablished to develop a strategy for leveraging the collective assets and related resources to increase the visibility of Newark as a cultural and entertainment center. The Association, which will include stakeholders from arts and culture, institutions, and restaurateurs, as well as key intermediaries such as the Newark Downtown District (NDD) and the Ironbound Business Improvement District (IBID), will focus on developing strategies to package and promote Newark's cultural and entertainment assets. Additionally, the Association will provide a platform for these stakeholders to share and exchange ideas, leverage resources and advocate collectively on arts and entertainment issues impacting the city.

• Packaging of Assets

When assessing Newark's assets, the whole is greater than the sum of its parts. **An opportunity exists to package Newark's assets and promote them to attract events such as business meetings, amateur sporting events and small conventions, to name a few.** By packaging the assets and aggressively promoting the aggregate capacity of all of its venues, the city will be better positioned to attract activities and events that are currently not being captured. This packaging would be a tool used to present the city to the media, developers, hotel operators, tourism organizations and retail operators. Additionally, the city's aggregate capacity packages will be strengthened with the state's tourism organizations and initiatives (e.g., Gateway Tourism Region), better positioning the city to advocate for cultural affairs issues within the city and state.

• Implement Shared Marketing Tools

The NOUEZ will be charged with developing world-class marketing collateral and tools to promote Newark. For example:

• Website: The RBP currently maintains the GoNewark website. The website provides accessible real-time information about Newark "at work," "at play," and "at home." As the collaborative marketing function is developed, this website should be evaluated for its effectiveness as a shared/common platform for communicating and executing the shared vision of the stakeholder group. The RBP, as a partner with the NOUEZ, will manage the website.

• Collateral: The NOUEZ will coordinate the production of marketing materials that share the unified brand and vision for the City of Newark.

2. Launch a Marketing Campaign to Existing Populations

Changing the perception of a city starts with changing the perception at home. With Newark's current population of residents, employees, students and Newark International Airport travelers, over 400,000 individuals pass through the city daily. **The NOUEZ will launch a campaign focused on educating this population on all of Newark's amenities including retail, restaurants, arts and culture, and recreational activities to increase the patronage of existing facilities.**

3. Launch a Marketing Campaign to Key Stakeholders

In addition to reaching the existing Newark population, it is important that marketing efforts target key influencers, such as retail operators, real estate developers, hotel operators and, other tourism related organizations. **The NOUEZ will lead efforts to promote Newark to this critical target audience.**

4. Execute Events that Garner National Exposure

The Newark Alliance, in coordination with its partners will identify and execute major events in Newark that will draw national media attention. The objective of these efforts is to demonstrate in a tangible way Newark's progress to the rest of the country. Queen Latifah's Last Holiday Movie Premiere was the first of such events.

Other Action Areas

• To develop Newark's identity:

1. Launch a unified brand for Newark

Communicating a unified brand is critical to the further development of Newark's EAR cluster. The unified brand, developed around a shared vision of stakeholders, will provide a consistent message and convey current realities that match individuals' personal experiences when visiting the city. Brand development, which is a continuous process, will provide an overarching platform for institutions promoting their individual activities within the city. The Star Ledger, in

partnership with the NOUEZ, will provide leadership on this initiative.

- **To promote Newark's assets:**

1. **Launch a Destination Marketing Organization or Conventions and Visitor's Bureau**

An organization, with a dedicated, sustainable funding stream, is needed in the long run to ensure that the marketing, promotion and branding activities for the city are effectively managed. Based on benchmarking performed, it is recommended that a Destination Marketing Organization (DMO) or Conventions and Visitor's Bureau (CVB)-like organization be launched to provide Newark with the appropriate infrastructure to aggressively promote and market the city on an ongoing basis. These organizations, in the cities benchmarked, generate significant dollars for each dollar spent in advertising. For example, a study commissioned by the Greater Philadelphia Tourism Marketing Corporation found that for every \$1 spent in advertising, it generated \$185 in direct, indirect and induced spending and \$13 in regional and state taxes.

Urban Business Investment

There is a rich source of business assistance services in Newark with organizations such as NJEDA's Entrepreneurial Training Institute, the GNBDC, the Institute For Entrepreneurial Leadership, Prudential's Young Entrepreneurs Program, and Rutgers University's Small Business Development Center. These organizations provide a wide range of services including micro-loans (under \$35,000), management consulting, strategic planning, specialized workshops, and peer-to-peer support, among others.

Despite these services, more needs to be done to strengthen Newark's small, minority and women-owned business community. The New Jersey and Essex County disparity studies found that there is significant discrepancy in the availability and utilization of minority and women's business enterprises (M/WBE) regardless of procurement category. Interviews with local businesses, many that have annual sales of more than \$1 million and have been in business over 10 years, found that there are challenges in accessing capital and procuring contracts within Newark's business community. The Urban Business Investment (UBI) Action Team focused on

recommendations that will strengthen the services to small businesses and address the most urgent gaps.

UBI Action Plan:

- **To improve access to capital:**

1. Introduce a vehicle that provides a new source of patient capital to help established businesses that have strong growth potential reach the next level while creating jobs. A white paper outlining the structure, goals and objectives of this source of capital will be completed. Providing another source of capital that is tied to job creation will benefit Newark businesses and the broader community. The Newark Alliance is spearheading the effort to introduce such a financial vehicle to Newark.

- **To improve the awareness and coordination of business assistance resources:**

1. Conduct joint marketing to increase awareness of the business assistance resources available to Newark area businesses. The marketing and promotion of these services would be more effective as a joint venture, versus individual efforts. This will further enhance program coordination among existing providers and better leverage assets such as the One-Stop Business Resource Center to streamline referrals and provide a clearinghouse for programs and services. This will help to better coordinate existing resources and highlight services provided by each organization. The Newark Alliance, working with the business assistance organizations, will manage this effort.

Workforce Development Infrastructure

Newark has many workforce development assets, including high-quality training programs, strong educational institutions, an active Workforce Investment Board, and important employment resources, such as the Newark One-Stop. However, job seekers and employers are unaware of the many resources within the city for finding and filling jobs and training people for new careers. This lack of awareness, which also includes workforce intermediaries, social services organizations, and training providers, leads to fragmented efforts to improve career opportunities for

Newark residents and to satisfy the employment needs of Newark employers. The workforce development system's potential to guide residents to training programs and employment opportunities can be enhanced with better coordinated marketing and promotion among training programs and workforce intermediaries.

Workforce Development Infrastructure Action Plan:

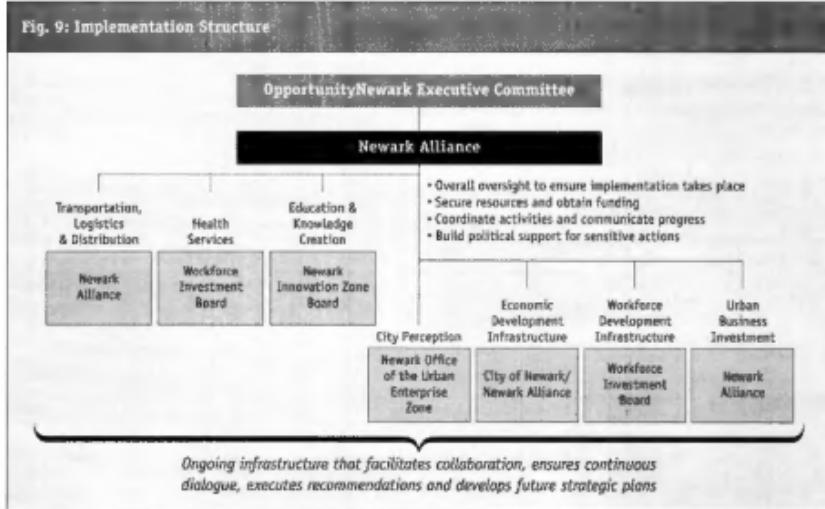
- To improve access and awareness of workforce development resources:*

1. The Workforce Investment Board will initiate a multi-tiered communications strategy to bridge the knowledge gap on the available workforce development resources in Newark, Essex County and the State of New Jersey. This comprehensive strategy will help meet the employment needs of residents and businesses. The strategy will target underemployed workers, the immigrant population, out-of-school youth, school-to-career students, and the private sector. The combination of outreach to training providers and employers and the promotion of the training programs to Newark residents will increase training program participation, improve

placement rates, and help transition incumbent workers to higher paying jobs. By identifying areas of mutual interest and concern to Newark stakeholders, the communications strategy will increase collaboration among the various workforce development resources in Newark. With better information and a clearer guide to available resources, residents will be well positioned to make informed and directed career decisions.

Implementation Structure

Ensuring the active engagement of the Newark Community over the course of OpportunityNewark's implementation phase is critical to executing the action plans and achieving OpportunityNewark's vision. The Newark Alliance, as the lead organization, will oversee the implementation of OpportunityNewark. Additionally, within each action area, a coordinating entity has been identified that will provide the ongoing infrastructure to facilitate collaboration, ensure continuous dialogue, implement recommendations and develop future strategic plans. The Newark Alliance and the coordinating entities will be accountable for OpportunityNewark's results and progress. It is important to note that this is a community effort that will require the continued support of all aspects of the community.



Conclusion

Issues of poverty and unemployment cannot be resolved with quick fixes. OpportunityNewark provided a forum for all stakeholders to brainstorm, plan and ultimately execute a strategic plan to tackle these issues in a collaborative manner. It provided a vehicle to align resources against a set of priorities, which is critical in order to have a meaningful and sustainable impact in the city.

OpportunityNewark is a major step in Newark's progress to compete in an organized and structured manner. It is a deliberate strategy that will require perseverance, sustained leadership, accountability and the appropriate resources for its success. OpportunityNewark provided a plan, but it is the Newark Community that will make it happen. Given the momentum and support that OpportunityNewark has achieved to date, there is every reason to believe it will meet its ultimate objective which is to renew hope and change destinies in the lives of so many who just need a chance.





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